**Current News**

Current news on the latest developments in fertilizer, energy, weather, agriculture, agri-business, logistics, economy, and other related areas

*(The views expressed in the news items are not necessarily of FAI)*

<table>
<thead>
<tr>
<th>AGRI-BUSINESS</th>
<th>ECONOMY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nabard seeks help of CSR arms to support farmer produce organisations in Gujarat</td>
<td>FM Nirmala Sitharaman says economy not in trouble; India moving towards $5 trillion economy</td>
</tr>
<tr>
<td>72 lakh hectares of farmland hit by floods and drought</td>
<td>Economic growth set to bounce back as slump bottoms out: Gov adviser</td>
</tr>
<tr>
<td>Rabi Cereals production for 2019-20 to increase by 4.52 %</td>
<td>India has potential to increase exports to $15 billion by 2025</td>
</tr>
<tr>
<td>Coverage under PM crop insurance scheme has increased: Central Government</td>
<td></td>
</tr>
<tr>
<td>DCM Shriram inks pact to promote water conservation</td>
<td></td>
</tr>
<tr>
<td>Centre rejects Andhra govt’s proposal to release lumpsum payment under PM-KISAN</td>
<td></td>
</tr>
</tbody>
</table>
Nabard seeks help of CSR arms to support farmer produce organisations in Gujarat

With a view to further extend support to farmer produce organisations (FPOs) in Gujarat, the Ahmedabad branch of National Bank for Agriculture and Rural Development (Nabard) is in talks with CSR arms of major industrial houses including Reliance, Tata and Ambuja.

With a view to further extend support to farmer produce organisations (FPOs) in Gujarat, the Ahmedabad branch of National Bank for Agriculture and Rural Development (Nabard) is in talks with CSR arms of major industrial houses including Reliance, Tata and Ambuja. Nabard is already giving financial assistance of up to ₹16 lakh to FPOs that includes training to FPO members, business plans to sell their agriculture produce and others things, said Dinesh Raina, general manager, Nabard, Ahmedabad, adding that to provide bigger platforms to FPOs in the state the bank is in advance stages of talk with Reliance Foundation managed by Reliance Industries, Ambuja Cement as well as Tata Consultancy Services for Rural Development (TCSRD).

"With the help of these conglomerates, the members (farmers) of FPOs can sell their produce in bigger markets. Their products can be sold in retail chains of Reliance. Moreover, innovative techniques of digital marketing can be beneficial to farmers. Their other requirements, including effective transportation, cold storage facility etc., can be fulfilled through involvement of corporates," said Raina.

An FPO is formed by a group of farmers to collectively sell their agriculture produce. Nabard encourages such initiatives and train farmers for business activities related to farm produce and provide a grant of up to ₹11 lakh for three years. If the FPO performs well, Nabard will give further assistance of ₹5 lakh. Minimum 50 farmers can form an FPO.

Some of the FPOs in Gujarat are having members’ strength exceeding even 1,000. Generally, FPOs are registered as cooperative societies in Gujarat. Nabard also encourages FPOs to appoint a qualified CEO and also pay his salary for up to five years.

Currently, there are 190 active FPOs in Gujarat and another 15 may be added by the end of the current fiscal year, said Raina, adding that because of FPOs farmers’ income increased and profit earned through business activities is being shared as divided among them.

Source: Financial Express, Wednesday, February 12, 2020

Back to Headlines
About 63.99 lakh hectares of farmland has been affected by floods in 15 States, while 7.91 lakh hectares of agriculture land has been hit by drought in two States so far in the ongoing 2019-20 crop year (July-June), Union Agriculture Minister Narendra Singh Tomar said on Tuesday.

“There have been extreme weather events in the recent past, including extended dry period, flood, hailstorm, cyclonic rains and wind, etc. However, there was no significant reduction in the production of foodgrains during last three years,” Tomar said in a written reply to the Lok Sabha.

As per the report of Inter-Ministerial Central Teams (IMCTs) constituted by the Centre, an estimated area of 63.99 lakh hectares was affected by floods in 15 States during 2019-20, he said.

These States are Assam, Bihar, Chhattisgarh, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tripura, Uttar Pradesh, Uttarakhand and West Bengal, he added. Due to drought, the Minister said, about 7.91 lakh hectares of farmland was hit in Rajasthan and Manipur in the current year.

On crop loss caused by wild animals in Uttarakhand, Tomar said in a separate reply that the data on crops destroyed by stray cattle and wild animals are managed by the State governments.

The Uttarkhand government has paid ₹59.90 lakh as compensation to farmers till October 2019, he said.

The Minister also mentioned that the Centre, however, has taken various steps to prevent and check damage to crops by wild animals.

The Union Environment Ministry has approved a project for undertaking ‘Immuno-contraceptive measures’ for population management of wild animals.

That part, assistance is provided for construction/erecting of physical barriers, such as barbed wire fence, solar powered electric fence, bio-fencing using cactus and boundary wall to prevent the entry of wild animals into crop field, he added.

Source: The Hindu Business Line, Wednesday, February 12, 2020
Rabi Cereals production for 2019-20 to increase by 4.52 %

Availability of good soil moisture across major Rabi producing states has also laid the foundation for good produce. Keeping in consideration the large scale post monsoon developments and the sowing reports from various parts of the country, NBHC Pvt. Ltd. has come up with its 1st Rabi Crop Estimates for 2019-20.

NBHC’s First Rabi Crop Estimates for 2019-20 has said that the India witnessed a 30 per cent surplus in total rainfall between October and December. The nation’s monsoon rainfall during the months of June-September was at 10 per cent above average.

Rainfall over the country as a whole during the SW monsoon season (June-September), which is the principal rainy season of the country, was normal (110 per cent of LPA). Further, the downpour continued through the months of October and November, thereby increasing the water table.

The 2019 northeast monsoon season (October-December) rainfall over the country as a whole was above normal (129 per cent of LPA). The seasonal rainfall during the northeast monsoon season over the core region of the south peninsula (comprising of 5 subdivisions viz. Coastal Andhra Pradesh, RayalaseemaNSE 2.87 %, Tamil Nadu & Puducherry, South Interior Karnataka and Kerala), was normal (109 per cent of LPA).

The total live storage in 123 important reservoirs in different parts of the country as on 6th February 2020 was 114.821 BCM (67 per cent of the live storage capacity at FRL). The current year’s storage is nearly 157 per cent of last year’s storage and 146 per cent of the average of last ten years. Availability of good soil moisture across major Rabi producing states has also laid the foundation for good produce.

Keeping in consideration the large scale post monsoon developments and the sowing reports from various parts of the country, NBHC Pvt. Ltd. has come up with its 1st Rabi Crop Estimates for 2019-20.

As per our study, the total Rabi Cereals production for the year 2019-20 is expected to increase by 4.52 per cent to 134.23 Million MT from 128.43 million MT in 2018-19.

Wheat area is expected increase by 12.03 per cent to 33.44 Million Ha and its production is expected to improve by 9.01 per cent to 111.40 Million MT due to favourable weather conditions, improved soil moisture conditions and incentivised increase in MSP to 1925 per quintal from 1840 per quintal given last year.

Rabi Rice acreage is recorded lower by 23.24 per cent at 2.61 million Ha against 3.40 million Ha last year and its production is expected to decrease significantly by 27.96 per cent to 14.29 million MT in last year owing to marginal shift in farmer’s focus to pulses & wheat.

Total coarse cereals production is expected to increase by 4.92 per cent to 12.54 million MT in 2019-20 mainly due to increase in production of Jowar (2.43 million MT), maize (8.28 million MT) and barley (1.83 million MT).

Jowar acreage is improved significantly by 19.12 per cent while the acreage of maize and barley are expected to show a marginal surge of 6.45 per cent and 6.85 per cent, respectively. The most affected is the cultivation of pulses, particularly Moong and Urad due to erratic rains and also sought a removal of import duties and caps on peas.

The Moong acreage is expected to decline significantly by 26.32 per cent to 0.56 million Ha from 0.76 million Ha in last year and production is expected to decline by 26.38 per cent to 0.38 million MT from 0.51 million MT in last year.

Urad acreage is expected to decline by 21.44 per cent to 0.74 million Ha from 0.94 million hectares in last year and production is expected to decreased by 20.17 per cent to 0.56 million MT from 0.70 million MT in last year.

Overall, the pulses acreage is expected to increase by 1.86 per cent to 15.92 million Ha from 15.63 million
Ha in last year and the production is expected to decline by 2.47 per cent at 15.17 Million MT despite Gram acreage and production is likely to increase by 10.14 per cent (10.64 million Ha) and 7.90 per cent (10.93 million MT) respectively.

However total oilseeds acreage is expected to decline marginally by 0.87 per cent at 7.97 million Ha from 8.04 million Ha in last year and production is expected to decline by 7.39 per cent to 10.17 million MT from 10.98 million MT in last year.

Mustard acreage is expected to decline by 0.29 per cent to 6.92 million Ha and its production is expected to decline by 6.92 per cent to 8.69 million MT from 9.34 million MT in last year. Groundnut and Sunflower production is estimated to be lower by 8.87 per cent (1.12 million MT) and 39.24 per cent (0.08 million MT) respectively.

Source: The Economic Times, Wednesday, February 12, 2020

Back to Headlines
Coverage under PM crop insurance scheme has increased: Central Government

The Centre has claimed that coverage under Pradhan Mantri Fasal Bima Yojana (PMFBY) has increased to 30 per cent of the gross cropped area (GCA) from 23 per cent in 2015-16 under the earlier schemes.

The Ministry of Agriculture and Farmers Welfare told the Rajya Sabha last week that it was incorrect to say that private insurance companies had made windfall gains under the scheme.

The Ministry added that the rise in coverage was because of the improved features of the scheme. “Participation of non-loanee farmers, for whom the scheme is voluntary, have also increased from 5 per cent under erstwhile schemes to 42 per cent (Kharif 2019) under PMFBY, showing the voluntary acceptability of the scheme,” the Ministry added.

Reinsurance costs

The difference between premium collected and claims paid is not the margin/profit for the insurance companies, the Ministry said.

“The cost of reinsurance and administrative cost totalling 10 to 12 per cent of gross premium also have to be borne by the insurance companies. Further, out of the total crop insurance business under the scheme, more than 50 per cent is shared by the five public sector insurance companies, including Agriculture Insurance Company of India Ltd.”

Under the provisions of the scheme, premium from farmers along with central and State government share in premium subsidy is paid to the concerned insurance company for acceptance of risk and payment of claims as per the provision of the scheme. Insurers save premium in good seasons/years and pay high claims, if any, in bad years from the savings made in the good years, the Ministry added.

Claim ratio

The Ministry said that in spite of overall good monsoon during the first three years of the implementation of PMFBY, the claim ratio during 2016-17, 2017-18 and 2018-19 was about 77 per cent, 86 per cent and 80 per cent (provisional) respectively. Overall claim ratio for the three years combined (2016-17, 2017-18 and 2018-19) comes to about 81 per cent.

But the farmers in most affected areas/States received higher claims and the claim ratio was higher in Kerala (209%) and Karnataka (136%) during Kharif 2016, Tamil Nadu (298%) and Andhra Pradesh (179%) during Rabi 2016-17.

During Kharif 2017, the higher claim ratio was in Chhattisgarh (452%), Haryana (270%), Madhya Pradesh (161%) and Odisha (217%). During Rabi 2017-18 high claim ratio States were Odisha (226%), Tamil Nadu (148%) and Chhattisgarh (109%). Though complete data for Kharif 2018 season is not available, high claims ratio has been reported in States of Haryana (140%), Uttarakhand (115%) and Chhattisgarh (124%), the Ministry informed the House.

Source: The Hindu Business Line, Wednesday, February 12, 2020

Back to Headlines
DCM Shriram inks pact to promote water conservation

DCM Shriram has signed a memorandum of understanding with Rabobank and Rivulis Irrigation India, the Indian arm of Israeli microirrigation firm Rivulis, to install drip irrigation in sugarcane farms of over 5,000 hectares in two Uttar Pradesh districts, the company said in a statement on Tuesday.

The proposed installation of drip irrigation in four units of the company located at Ajbapur, Rupapur, Hariawan and Loni in Lakhimpur Kheri and Hardoi districts is meant to give further fillip to the water conservation efforts.

“The project is being taken up with the aim of increase the yield while conserving water in cultivation of sugarcane. With this project, the cost of sugarcane cultivation will reduce, thereby increasing the income of farmers,” Roshan Lal Tamak, ED and CEO for DCM Shriram's sugar business, said in the statement.

According to the company, the Lucknow-based Indian Institute of Sugarcane Research, an apex organisation of sugarcane research in the country, certified various good agricultural practices and water conservation measures adopted by DCM Shriram sugar factories in its catchment areas in these districts have already resulted in water saving of 275 billion litres in the last three years.

*Source: The Hindu Business Line, Wednesday, February 12, 2020*

Back to Headlines
The Centre has rejected Andhra Pradesh government's proposal to release the payment under PM-KISAN scheme as a lumpsum amount instead of installments, Agriculture Minister Narendra Singh Tomar informed Parliament on Tuesday. Under PM-KISAN, the central government provides a payment of Rs 6,000 per year in three equal installments of Rs 2,000 to 14.5 crore farmers across the country.

In a written reply to the Lok Sabha, Tomar said the Andhra Pradesh government under its Rythu Bharosa scheme proposed to give Rs 12,500 per year to each farmer family inclusive of a benefit of Rs 6,000 given under PM-KISAN. The state government scheme also aimed to cover the tenant farmers.

"State government had requested to release the payments under PM-KISAN scheme as a lumpsum amount instead of payments in installments. The request of Government of Andhra Pradesh was not accepted...," he said.

The Centre rejects Andhra govt's proposal to release lumpsum payment under PM-KISAN

The state's proposal was "not accepted" because PM-KISAN was meant to provide income support to all land holding farmers' families in the country, subject to certain exclusions.

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An amount of Rs 2,000 was paid in three equal installments to enable farmers take care of expenses related to agriculture and allied activities as well as domestic needs so as to protect them from falling in the clutches of moneylenders for meeting such expenses and ensure their continuance in farming activities, he added.

The eligibility of farmers to join PM-KISAN is determined by the respective state governments on the basis of Operational Guidelines of the Scheme.

As per the 2015-16 agriculture census, there are about 83.90 lakh landholdings in Andhra Pradesh. So far, 54.45 lakh farmers have registered under PM-KISAN, the Union Minister said in a separate reply.

To those registered between December 2018 and March 31, 2019 in Andhra Pradesh, the centre has paid the first installment to 36.40 lakh beneficiaries, second installment to 34.11 lakh beneficiaries, third installment to 33.78 lakh beneficiaries and fourth installment to 31.35 lakh beneficiaries, he added.

To those registered between April and July 2019 in the state, the centre has released first installment to 7.92 lakh beneficiaries, second installment to 7.64 lakh beneficiaries and third installment to 7.35 lakh beneficiaries.

To those registered between August and November 2019, the centre has released the first and second installment to only one beneficiary but to those registered between December 2019 and March 2020, the centre has paid the first installment to 6.84 lakh beneficiaries of Andhra Pradesh, the minister added.

Sharing all India figures, Tomar said a total of 9.60 crore farmer families across India have been successfully registered under PM-KISAN as on February 6. Of this, 8.44 crore beneficiaries have received benefits.

Against the budgetary allocation of Rs 75,000 crore for this fiscal, funds amounting to Rs 44,516.7 crore have been transferred in the bank accounts of beneficiaries across the country, he added.

Tomar said PM-KISAN is a continuous and ongoing scheme in which the financial benefits are transferred to the bank accounts of the identified beneficiaries and when their correct and verified data is uploaded by the concerned states on PM-Kisan web-portal.

The data of beneficiaries so uploaded by the concerned states/union territories undergoes a multi-level verification and validation by various agencies concerned before making payment to the beneficiaries.
Hence, merely registration on the portal does not ensure benefit transfer to the beneficiaries, he said.

From December 2019 onwards, Aadhaar authentication of beneficiaries data is also made mandatory. In case, any mismatch of provided details are noticed by the above mentioned agencies, details related to beneficiaries are required to be corrected or amended by the concerned states, he added.

To a query if the government has a mechanism to check whether the scheme has brought changes in lives of farmers, the minister said the scheme was launched on December 2, 2019 and the same is in "nascent state."

“As such, no formal study of the scheme has been done yet,” he said, adding agriculture is a state subject and the prime responsibility of development of agriculture rests with states and the Centre through its various schemes supplements their efforts.

Source: Financial Express, Wednesday, February 12, 2020

Back to Headlines
Finance Minister Nirmala Sitharaman on Tuesday said the economy is not in trouble and green shoots are visible with the country moving towards a USD 5 trillion economy. Listing initiatives taken by the government, she said, increasing Foreign Direct Investment (FDI), rise in factory output and over Rs 1 lakh crore GST collection in the past three months are indications of green shoots in the economy.

“There are seven important indicators which show that there are green shoots in the economy...economy is not in trouble,” she said while replying to a debate on the Union Budget in Lok Sabha. Referring to visible indicators of green shoots, the Finance Minister said the forex reserve is at an all time high and the stock market is upbeat.

“Global sentiment is in favour of India. Foreign investors continue to show confidence in India and that is why the country has attracted a net FDI of USD 24.4 billion in April-November 2019-20 as against USD 21.2 billion in the same period the previous year,” she said.

Net Foreign Portfolio Investment (FPI) in April-November 2019-20 was positive at USD 12.6 billion as against USD 8.7 billion in the same period last fiscal. She further said the gross GST (Goods and Services Tax) revenue collected in January 2020 grew at 12 per cent while in November 2019, it was 6 per cent.

“So there is a steady growth and therefore negative growth, which it showed in September and October, has been corrected and we are on a positive growth trajectory and this will obviously bring in greater and newer investments to the economy and it will also reduce the business cost,” she added. There are seven green shoots based on which the economy now very clearly moving forward, she added. The Finance Minister said the government’s focus is on four engines of growth which include private investment, private consumption, public investment and exports.

With regard to public investment, she said, the government in December announced a National Infrastructure Pipeline. It envisages investment of Rs 103 lakh crore for infrastructure development across the country in the next four years (till 2024-25), she said. To boost consumption, the government has increased the Minimum Support Price of all mandated Rabi and Kharif crops for 2019-20. The Minister also took a dig at Congress leader P Chidambaram while referring to the fiscal deficit numbers during the UPA regime. The fiscal deficit was higher “when the economy was managed by competent doctors,” she quipped.

Chidambaram on Monday said in the Rajya Sabha that the “economy was perilously close to collapse and was being attended by incompetent doctors.” Sitharaman in Budget raised fiscal deficit target to 3.8 per cent of the GDP from 3.3 per cent pegged earlier for 2019-20 due to revenue shortage. The government has used ‘escape clause’ under the Fiscal Responsibility and Budget Management (FRBM) Act which provides it leeway for relaxation of fiscal deficit roadmap during time of stress.

Replying to the opposition charge of the government overshooting fiscal deficit target prescribed in Fiscal Responsibility and Budget Management (FRBM) Act, she said the Narendra Modi government has always respected FRBM Act every year and kept the discipline of FRBM Act. Referring to various initiatives to boost consumption, she said government has increased Minimum Support Price, introduced pension scheme for traders, lowered GST rates abolished Dividend Distribution Tax and corporate tax.

Source: Financial Express, Wednesday, February 12, 2020
Economic growth set to bounce back as slump bottoms out: Govt adviser

Indian economic growth is poised to bounce back after slipping to a more than six-year low of 4.5% in the July-September quarter as the government has taken measures to prop up investments and consumer demand, a top government adviser said.

"Corporate tax reductions, the Insolvency and Bankruptcy Code and the banking sector reforms have helped and will help propel growth further," Sanjeev Sanyal, principal economic adviser at the finance ministry, told Reuters.

The Insolvency and Bankruptcy Code, introduced in May 2016, has helped banks to recover billions of dollars stuck in outstanding corporate loans and offer loans to new borrowers. Sanyal said economic growth was set to accelerate to 6% in the financial year beginning in April, compared with estimated growth of 5.0% in the current one.

But many private economists are less optimistic, saying the current downturn may continue for the next few quarters due to a dip in private investments and tepid consumer demand. Nomura said Asia's third-largest economy will see a sub-par recovery, and forecast 4.7% GDP growth for the current fiscal year and 5.7% for the next fiscal year.

Sanyal dismissed the conservative estimates and said his numbers took into account early signs of recovery in manufacturing and a pick-up in consumer demand. He said the government expected that average consumer price inflation would fall to 4% in the next financial year beginning April, after a recent spike driven largely by food prices.

There is enough space for the central bank to further cut interest rates, however, as inflation was likely to ease following a fall in vegetable prices, he said. "While there was a slowdown, this slowdown has by and large now bottomed out, and if anything from here on, growth is going to go up," Sanyal said.

Finance Minister Nirmala Sitharaman, who tabled her annual budget earlier this month, told parliament on Tuesday that the signs of "green shoots were visible" and the economy was no longer in trouble.

The Reserve Bank of India last week kept it policy rates steady but downwardly revised the country's growth forecast for the first half of the next fiscal year to 5.5-6.0% from an earlier projection of 5.9%-6.3%.

Sanyal said the budget has offered a clutch of tax incentives for sovereign wealth and insurance funds, which would leave more banking funds for private companies despite higher state borrowings.

Other than the coronavirus outbreak in China, there is no "major other disruption," to India, he said adding it was difficult to quantify the impact as the situation was still evolving.

Source: The Hindu Business Line, Wednesday, February 12, 2020
India has potential to increase exports to $15 billion by 2025'

India has the potential to increase its goods and services exports to Australia to $15 billion by 2025 and $35 billion by 2035, according to Ambassador Anil Wadhwa, a former senior Indian Foreign Service (IFS) official. He was speaking about the bilateral trade opportunities at a round-table discussion organised by the Indo-Australian Chamber of Commerce in the city last week.

Bilateral trade in goods and services between Australia and India stood at $23.3 billion in 2018, of which goods accounted for $17.8 billion while services contributed about $5.5 billion.

In a presentation titled, ‘Economic and Trade potential between India and Australia’, Ambassador Wadhwa highlighted that India accounted for only 2 per cent of Australia’s total merchandise imports and 2.7 per cent of services imports in 2018.

Plans for India

A distinguished fellow at Vivekananda International Foundation (VIF), Ambassador Wadhwa was a former secretary (East) in the Ministry of External Affairs and Ambassador of India to Italy, Thailand, Oman, Poland, Lithuania and San Marino. He was tasked with the responsibility of authoring “Australia Economic Strategy” (AES), a reciprocal report from the Indian side to “India Economic Strategy 2035” (IES), a report released by the Australian government in 2018 with a target of making India one of Australia’s top three export markets and the third-largest destination in Asia for Australian outward investment.

The IES was expected to be released by Australian PM Scott Morrison during his proposed visit to India in January 2020. However, the Australian PM had to cancel his first official visit due to the bushfire crisis in his country.

Ambassador Wadhwa’s presentation highlights only the key opportunities based on the 300-page report.

‘Where the future lies’

“We looked at the existing sectors on what more could be done and also futuristic sectors, which is something not happening now but where the future lies,” Ambassador Wadhwa said, adding that technology, services and innovation will be the future of this relationship given the nature of this economy at the moment and what is happening in India itself.

Wadhwa said petroleum products, rail equipment, pharmaceutical products and Automobiles are some of the key products in which India can increase its share of exports to Australia.

"India contributes 7 per cent of Australia’s imports of petroleum and mineral oils. India is a major exporter of refined oil and other products like high-speed diesel, aviation turbine fuel, light diesel oil, etc. It can leverage its strengths in this sector to increase its share in Australia’s imports," the presentation noted.

Source: The Hindu Business Line, Wednesday, February 12, 2020